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**Annex 2**

**ECONOMIC AREA COMMENTS ON PRESENT SYSTEM OF TIME DISTRIBUTION**

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1. ECONOMIC AREA COMMENTS ON PRESENT SYSTEM OF TIME DISTRIBUTION

a. General

(1) In reviewing the many comments made by Economic Area division and branch chiefs on the present reporting system of time distribution, a few cogent comments were noted and the thoughts, ideas, and suggestions contained therein have been utilized where feasible in the proposed type of system. Some of these pertinent comments have been quoted and are informally discussed as follows:

(a) Question

"What is the usefulness and value of time reporting in terms of office management?"

(b) Answer

"Time reporting can be useful to branch and division chiefs as a device for studying the distribution of responsibilities among personnel of their staffs. It also can be useful to persons responsible for program planning as a measure of unit capability for undertaking new activities and to individual analysts as a measure to manage that time more effectively. To be useful for these purposes, such time reporting must be detailed and accurate. Some ORR analysts will record their time daily. Others will bring their reports up to date on a weekly basis; therefore, the time reporting form must be such as to encourage maximum possible recall."

(c) Discussion

The question posed represents the basic qualifications of any reporting system. In any system there is always a definite cost factor to maintain it; hence, it should more than pay for itself in terms of being useful and having value to management. It is felt that the recommended proposed type of project control system will be useful to management as well as the analyst and that its value will be reflected in more effective control, planning, and production.

The suggestions tendered as to the need for accurate and detailed time reporting have been adopted in the proposed system with modification as to detail. It is felt that too much detail detracts from the value of reporting on a production basis against reporting

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on a job basis. Only that detail which is both desired and justified should be maintained. Proposed reporting forms have been designed to reflect minimum justified and required detail in a handy, reference-type, easily understood format, permitting maximum possible recall, with a minimum of reporting effort required.

b. Interpretation of Degree of Completion of a Project

(1) Comment

(a) "Where time records are kept on specific projects, it is suggested that the mechanical interpretation of degree of completion of a project indicated by time spent divided by the total time allocated for the project be used with caution. No project is completed until it is submitted by the responsible analyst. An order to produce three-fourths of a project at the point in time at which three-fourths of the time allocated has been used will usually result in the production of a limited series of notes, reflections, and working drafts of a few isolated sections of the report. The producing analyst, branch, or division, however, should ordinarily be able to indicate the status of a given project in such terms as: (1) outline completed, (2) data collection underway, (3) data collection completed, (4) data being processed, (5) first draft being prepared, etc. At this point, it is suggested that the branches give serious consideration to the accumulation of experience factors on time required for the various phases in project production. In addition, data such as length of time for typing of various drafts, branch review, and division review should be consciously accumulated and used with other information in planning the hours required and due dates of projects. It is recognized, however, that the phases of production may overlap, and various irregularities may appear in practice. Therefore, the problem of time accounting should be approached on the branch level in an experimental manner."

(2) Discussion

(a) The practicality of the suggestions contained in this comment has been reviewed carefully. By having project progress reporting in terms of subjective degrees of completion rather than on percentage of estimated time for completion, a more realistic portrayal of actual status will be obtained. This reporting concept has been incorporated in the proposed type of reporting system.

(b) Provision for accounting for other than research time, such as typing of drafts, review, etc., is desirable in order that complete time costs be obtained. The maintenance of factual time cost statistics will result in sound, proven statistics for future planning, scheduling, etc. The recommended type of system provides for this type of complete time accounting.

(c) The value of approaching time accounting in an experimental manner is questionable. It is felt that any well-developed time accounting system, after its introduction, should be maintained as standard working procedure. There should, however, be enough latitude in the system to provide for continuing improvement as well as local adaptation without disruption to the system as it effects the total operation.

c. Reduction of Number of Time Categories Reported

(1) Comment

(a) "On the level of the Economic Research Area or ORR as a whole, it is suggested that time reporting should be continued, but that the number of categories reported should be reduced. Time spent on numbered projects should be reported since such accounting may be used in budget justifications and serve planning uses in the area or office. Where considerable time is spent on support activities for OCI and other consumers, it should likewise be of value to have some measure of the magnitude of such support even though it may seldom come in numbered projects. It would be desirable therefore, to develop definitions and reporting symbols to facilitate such reporting by analysts and to permit easy aggregation of reports on higher levels. The definition of "Research" should be broad enough to cover intelligence production, intelligence support, and intelligence maintenance. The remaining categories of time reported by analysts could refer to training, administration, and leave. Within these four chief categories of the times spent, further study should be given to the degree of refinement of sub-categories. It is suggested that a suitable number of symbols be developed for the time reporting scheme or that the report form can be made smaller than at present."

(2) Discussion

(a) In developing any procedure of reporting time, progress, etc., it is of prime importance that full consideration be given to the additional work-load that will be incurred in the maintenance of the new procedure. In order to reduce this required maintenance time, full use should be made of short-cut reporting techniques, reporting aids, and, of course, to provide for as few reporting items as possible to portray the administrative needs required.

(b) The proposed recommended type of system has been developed with these needs in mind and leaves room for the use of reporting symbols. The forms have been designed with an eye to size, ease of handling and adequacy for the reporting job to be accomplished.

d. Present System Complexity

(1) Comment

(a) "The fault of past time allocation systems has been that they comprised too many categories; at the same time, there were many activities in which the analysts were engaged which were hard to classify in terms of any of the categories. The result was that the analyst often would use his own discretion as to how to allot his time in terms of the time allocations sheet and the latter became, to that extent, meaningless. Moreover, the overall complexity of the system influenced the analyst to allot his time in an entirely cavalier manner — a reaction which tended to render the entire system meaningless."

(2) Discussion

(a) This comment reflects an existent situation that must be corrected if any reporting system is to be successful in reflecting factual criteria. By pin-pointing time accounting clearly to project numbers, programs, consumers, etc., by means of forms and procedures which are not complicated and require a minimum of analyst decision, it is felt that any "cavalier manner" regarding the time accounting process will be eliminated. However, it is necessary to point out the fact that the maintenance of a time and control system, if it is to be successful, must be accomplished in the proper work spirit, for in the last analysis any report or reporting system is only as good as the material being reported and the individuals doing the reporting.

e. Brevity, Clarity, and Cooperation

(1) Comment

(a) "Use of symbols, clear definition, and short form should make a reporting scheme more palatable to the analysts. In any event the purpose that the reports should serve should be made explicit to all concerned so that sympathetic cooperation can be gained."

(2) Discussion

(a) Stressing again the value of having forms designed in format and procedure so as to provide for the full utilization of symbols, checks, etc., and also to be clearly understood by those having to use them, is repetitious at this point, but it is important and was sincerely considered in the formulation of the proposed type of system.

(b) Likewise, the purpose of the reports as operation tools of management, indicators of production, work-load, and backlog,

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and also as guides for planning, scheduling, budget, etc., but not as efficiency indicators, regarding the output of individuals, is definitely to be made perfectly clear to all personnel concerned, for without sincere cooperation this system, or any system, cannot succeed.

f. Reporting by Area Code

(1) Comment

(a) "It is suggested that consideration be given to reporting 'Research' by area code. This would give an indication of time spent on each of the countries in the Soviet Bloc and might serve a useful purpose for planning."

(2) Discussion

(a) It is planned that "Research" time expended will be accounted for in terms of project numbers, programs, consumers, etc. There is no reason why the list of chargeable accounts cannot be established to include accountability by area code. In fact the development of this list can include and should include all categories deemed necessary to provide the required data for adequate planning, operations, etc.

g. Personnel Covered by Time Reports

(1) Comment

(a) "Personnel to be covered by time reports should be determined by the use to be made of the report. Is it suggested that the division chiefs, deputy division chiefs, and higher supervisory personnel not be required to submit time reports. Their total time can perhaps be adequately allocated, if necessary, in the same proportions as the total reported time of the branches. Until a need can be demonstrated for reporting the time of secretarial and clerical personnel, reporting on these personnel should not be required."

(2) Discussion

(a) This comment has been included for discussion because it represents thinking somewhat in contradiction of the consensus regarding the reasoning behind the basic purposes of accounting for time expended on projects, etc. as previously stated.

(b) The proposed type of system is flexible in that time may be reported without change to the forms and basic procedure, in accordance with criteria established after due deliberation and decision by all levels of management. It is felt, however, that the accounting of time, if it is to provide complete information

for the purposes previously mentioned, must be made broad enough to reflect overall time costs per project, program, consumer, etc. To do this, then such time cost totals should reflect all operation time expended, and it may well be decided that it include secretarial and clerical time so expended. Review time, conference time, etc., of management personnel, chargeable to a predetermined charge account, may also be accountable.

h. Study to Determine Reporting Purposes

(1) Comment

(a) "It is recommended that a continuing study be made of time accounting and management procedures and that further refinement of time reports be tested on a pilot basis, say, with the cooperation of a small sample of analysts. Such a continuing study should establish what purpose the enlarged or changed scheme of reporting will serve and should examine what other offices or organizations are doing in this area. Time reports can be used for judging time allocations only where standards of measurement exist. These standards should be made explicit, i.e., an optimum allocation should be shown and inference of efficiency should be made with care."

(2) Discussion

(a) The introduction of the proposed type of Project Control System to the Economic Area operational organization may well be introduced as a product of their own suggesting. As a result of continuing study of time accounting and management procedure, the proposed type of system was developed for their use as well as for top management.

(b) With a minimum of refinement and development the proposed type of system may be introduced either on a pilot basis or as new standard "across-the-board" procedure. It may be decided that complete introduction should take place first with any changes or revisions needed to be added on an "if, and/or, when" basis.

(c) Continuing study of a problem is all well and good up to a logical point where sincere re-appraisal of the problem should be made and a positive path of action taken. This point has been reached in this case. A trial system has been in effect now for over a year and while its results have not been entirely satisfactory it has provided basic experience and data upon which the proposed type of system is predicted. This system is one patterned on standard business as well as industrial practice in the area of time and control procedure.

(d) Time reports, properly maintained in accordance with a standard procedure, will reflect in the accumulation of positive experience factors that can be used as planning time allocations.

These experience factors become in effect planning standards and measurements to be used as programing guides and due to the nature of the work performed in this area no use of these standards should be intended as efficiency guides of individual or collective performance.

1. Accuracy of Reporting

(1) Comment

(a) "Insofar as accuracy of reporting is concerned, this can be handled in part by requiring that time reports by analysts be submitted daily. Definition of activities should be made with greater precision than in the past."

(2) Discussion

(a) While this comment is aimed primarily at the present time distribution system, it is significant in its application to any reporting system. Accuracy, however, is only one requirement for successful reporting. Reporting should be factual, complete, in accordance with a standard procedure, as well as accurate.

(b) It is interesting to note here that no definite time cycle of reporting is proposed in the recommended type of system. It is felt that the burden of reporting should be held to the barest minimum necessary to maintain currency of the control information.

(c) Precise, clear definition as to procedure, activities, etc. would be developed in the final system procedural package prior to operational introduction.

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